



## CALIFORNIA HIGH-SPEED RAIL AUTHORITY

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## High-Speed Train Offers Economic Boost to Central Valley *Economic Study Cites More Jobs, Increased Accessibility*

**Fresno, CA** – The proposed California High-speed Train System would save Central Valley residents up to \$3 billion through reduced traffic congestion, trigger significant job creation, and be an important factor in increasing taxable income by up to \$48 billion per year according to a new economic study by a University of California, Merced, economist.

The regional economic benefits are outlined in the just-completed Economic Impact of the California High-Speed Rail in the Sacramento/Central Valley Area by Shawn Kantor, Ph.D., County Bank Professor of Economics at U.C. Merced. Kantor's findings illustrate the potential regional impact of Proposition 1A on the November ballot, which would provide funding to start construction of a high-speed train system as a new transportation alternative to expanding freeways and airports.

“Our study shows that based on a shift of transportation dynamics with new options such as high-speed trains combined with the value people place on their time and clean air, the overall direct benefits could amount to approximately \$3 billion” says Kantor. “The largest component of the savings would be the value of time recouped from avoiding traffic.”

The most obvious cost savings accruing to Central Valley residents are from benefits associated with a shift in transportation modes, congestion reduction, market accessibility, and reduced air pollution and accidents.

The study also indicates that one of the most important anticipated benefits from the high-speed train system is the increased level of accessibility for Central Valley communities. Lower transportation and transaction costs likely will encourage new businesses to locate in the Central Valley, where favorable costs and public policies will encourage business development.

The study predicts that the high-speed train system will trigger significant job creation in the Central Valley, especially in the service, transportation, communications, and utilities, finance, insurance and real estate sectors. A greater positive impact is anticipated for Merced County and Madera County.

New jobs and increased income will translate into greater consumption, with the study indicating that total sales and use tax revenues could be expected to increase by approximately \$333 million per year, of which nearly \$46 million would flow directly to Central Valley counties and cities.

The anticipated growth in jobs and taxable income throughout the Central Valley, accelerated in part by development of the high-speed train system, also translates into increased state income tax revenues of more than \$2 billion annually.

“The obvious benefits of high-speed trains include lowered transportation costs and time savings compared to automobile trips, improved air quality, communities more attractive to businesses and safer highways resulting from fewer vehicle trips,” said Judge Quentin Kopp, Chair of the California High Speed Rail Authority. “When these benefits are bolstered by such dramatic economic gains for the Central Valley, development of a high-speed train system makes even more sense.”

The Governor and Legislature provided funding in Proposition 1A to jump-start construction of the 800-mile high-speed train system, which will eventually link the Central Valley to Sacramento, the Bay Area and Southern California.

The study estimates that construction of the high-speed train will directly inject between \$5.9 billion and \$19.2 billion into the Central Valley economy.

“The high speed rail project will stimulate the Central Valley economy by saving residents and workers significant time and money, supporting the growth of much needed service and support jobs, and focusing development toward the central cities” said U.S. Representative Jim Costa (D-Fresno), who as a California State Senator authored the bill that originally placed a high-speed train bond measure on the state ballot.

“This project represents a fundamental shift in transportation and communications models for the Central Valley,” said California Assembly Member Cathleen Galgiani, who authored legislation that amended the measure appearing on the November ballot. “The high-speed train system will create an opportunity for the Central Valley to import the human capital and expertise we need to grow our economy with high-value jobs.”

The study also looked at environmental impacts and notes that electrically propelled high-speed trains use one-sixth the energy of cars in traffic and one-fourth the energy of airplanes. The new system would reduce carbon dioxide emission that cause global warming by more than 12 billion pounds per year, the equivalent of removing a million vehicles from state roads. It also would reduce oil consumption by some 12 million barrels per year.

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